



# CJI Conversation: David V. Johnson, Developer of the BVI's Oil Nut Bay

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David V. Johnson, chairman of Victor International Corporation, toured the world on boat for roughly 10 years, looking for the perfect spot to build his dream home.

He eventually chose what is now the renowned [Oil Nut Bay](#) real estate community in Virgin Gorda, British Virgin Islands (BVI).

Now, considered one of the most popular developers in the Caribbean, Johnson told Caribbean Journal Invest (CJI) in a recent interview how today's investors aren't exactly waiting as long as he did to scoop up available land.

Here's what he had to say about the pandemic's influence on what he calls "instant gratification" investments, as well as the best incentives the British territory has to offer potential investors.

## How has COVID influenced hotel investment interest in the BVI?

What we found during the pandemic is that some people wanted instant gratification. We sold a Peninsula lot for \$9.9 million.

The owner came back and, without ever seeing them, bought a marina villa spec house for \$2.6 million because he wanted instant gratification and a place to stay while his dream house was being built.

There was another guy, who, when the pandemic hit, I thought would drop out. He didn't. He ultimately wanted a four-to-five-bedroom house and said, 'I know you're going to run out of land, so I'll buy the lot now [for \$3.5 million].' And now he is working on his dream house.

We sold another spec house to a couple that were around 45 years old and said, 'We are 10 years ahead of time, but we know it'll all be gone.' They looked at it from a sail boat.

We are building more spec homes for those who want instant gratification and don't want to wait to build.



Oil Nut Bay.

**What are some key incentives for hotel investors in the British Virgin Islands?**

No. 1, there is no fear of failure because all of the infrastructure is done, the clubs are in, the restaurants are in. We have extremely affordable dues. It's not death by a thousand cuts. I have no doubt owners here will be successful.

We kept the team together and paid them through the pandemic. What people don't realize is the BVI is COVID free. We are very careful with reopening. On the bay is kind of like our bubble within the bubble.

Someone gets tested before they come. They get tested when they arrive, but they can move around the bay and hang out for four days.

They are not quarantined in a villa. Then, they get tested four days after and get to move around the destination if they are negative. We are very proud of the way the BVI government has handled this.

One of the other top incentives is that if you put your house in the rental pool, there is no import duty. Seventy percent are in rental management. There is a 60-40 [percent] split in favor of the owner.

Also, it's safe and you earn residency when you buy. They don't give out citizenship. We don't want them to sell citizenship. We want them to control who buys. And the process [is completed] in less than 60 days from the time they buy to the time they own the land. We have freehold ownerships, the same as the U.S.

Fifty percent [of developments] are freehold, which is traditional title, and 50 is [British] Crown land, which is leased anywhere from 30 to 60 years with no annual real estate taxes.

Put it this way, I have a \$10 million home on the beach and my taxes were less than \$1,000 a year. You only pay a seven percent rental tax.



The main pool at Oil Nut Bay.

**Please tell me about any units available at Oil Nut Bay or any that recently sold?**

We have 12.5 acres that we called 'Lion Heart.' That will hold villas from one—to-three-bedrooms, plus a main house.

The main house will have five bedrooms. Then, there is a one-bedroom guest villa. We also have room for four more guest villas. [The entire complex] goes for \$39.5 million. We have two people that are very serious.

What people are realizing is you have five years to build your dream house because the land won't be there [for long].

Some people build immediately and some will take a few years to build. The ones that take a few years will also buy a marina villa so they have a place to come while [the residence is] being built.

And what's remarkable is we have an amazing group of owners.

Also, we have Peninsula [homesites] that are 150 feet wide. They sell for \$9.9 million each and we have four left. We sold five. Then, we have Boulders that go from \$2.5 to \$6.5 million. We have six left and sold five.

**Can you tell us about how you discovered Oil Nut Bay? We heard you toured the world on a boat for nearly a decade before you found the location. Can you elaborate on that story?**

In the 80s, I looked all over the world for the perfect land. I went to Fiji, I went Tahiti, we looked into the Bahamas, we looked all over the place.

We continued to come back to the BVI for two reasons: more than 50 percent of the destination was undeveloped and the British government was behind [development projects].

I went to [the BVI government] in 2004. At that time, it took two years to get approved. I said, 'You need to change that to 90 days so long as the money is clean and the investor has no felony convictions. To their credit, they did just that and that gave me the confidence to move forward.

**What is the top advantage to owning property on Oil Nut Bay? Also, what kind of vacationers does the property attract?**

One of the biggest advantages our investors have is that I live [at Oil Nut Bay]. I tell people, 'When you buy your lot, you're going to be very happy. And if you are not, you can come knock on my door.'

Also, we are perfect for social distancing. You are not allowed to build a villa that is more than 15,000 square feet.

The environment is also perfect for families, for kids and grandkids. It's really a wellness center that we continue to make better and better.